



## Senate

General Assembly

**File No. 163**

February Session, 2008

Substitute Senate Bill No. 302

*Senate, March 26, 2008*

The Committee on Environment reported through SEN. MEYER of the 12th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### ***AN ACT CONCERNING HARBOR IMPROVEMENT PROJECTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 13b-57 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 The state, acting by and in the discretion of the Commissioner of  
4 Transportation, may enter into a contract with a municipality, acting  
5 by its harbor improvement agency, for state financial assistance for a  
6 harbor improvement project pursuant to a harbor improvement plan  
7 approved by the Commissioner of Transportation in the form of a state  
8 grant-in-aid. [equal to two-thirds of the net cost of the project as  
9 approved by the Commissioner of Transportation, provided state  
10 financial assistance to any municipality for such purposes shall not  
11 exceed one million dollars.] Any such application for state financial  
12 assistance under this section shall be submitted by the Commissioner  
13 of Transportation to the Commissioner of Environmental Protection  
14 for his review. Said Commissioner of Environmental Protection shall  
15 submit a written report to the Commissioner of Transportation, setting

16 forth his findings regarding such application.

17       Sec. 2. (NEW) (*Effective from passage*) (a) In addition to municipal  
18 requests for a grant-in-aid pursuant to section 13b-57 of the general  
19 statutes, as amended by this act, harbor improvement projects may be  
20 initiated by the Commissioner of Transportation on behalf of the state  
21 or for the state on behalf of the federal government. Recommendations  
22 on the prioritization or inclusion of projects shall be submitted to the  
23 commissioner by the Connecticut Maritime Commission. The  
24 department shall contract for the provision of goods and services to  
25 harbors and waterways for such improvements, and shall provide the  
26 funding required under such contracts, except that the commissioner  
27 may enter into agreements with other state agencies or municipalities  
28 for such agencies or municipalities to provide the funding for any of  
29 such contracts. The department shall administer all contracts entered  
30 into under this section.

31       (b) All contracts are subject to final negotiation of the scope and  
32 budget for a given project. Contracting periods may vary depending  
33 on each project. Payments shall be made on a reimbursement basis for  
34 deliverables completed no later than the dates of service of an executed  
35 contract. Appropriate back-up information shall be included with each  
36 payment request indicating that services have been rendered. The  
37 department may elect to provide part or all of the funds necessary as  
38 an upfront payment, provided funds are held in a separate, noninterest  
39 bearing account and are expended not later than sixty days after such  
40 funds are provided.

41       (c) Harbor improvement projects include the preparation of plans,  
42 studies and construction for the alteration and improvement of various  
43 state, municipal and other properties in or adjacent to the waters of the  
44 state, for the purpose of improving the economy and infrastructure of  
45 the state.

46       Sec. 3. (NEW) (*Effective from passage*) (a) There is established an  
47 account to be known as the "harbor improvement account" which shall  
48 be a separate, nonlapsing account within the General Fund. There shall

49 be deposited in the account: (1) The proceeds of notes, bonds or other  
 50 obligations issued by the state for the purpose of deposit therein and  
 51 use in accordance with the permissible uses thereof; (2) funds  
 52 appropriated by the General Assembly for the purpose of deposit  
 53 therein and use in accordance with the permissible uses thereof; and  
 54 (3) any other funds required or permitted by law to be deposited in the  
 55 account. The funds in said account shall be expended by the  
 56 Commissioner of Transportation for the purpose of initiating harbor  
 57 improvement projects in accordance with section 2 of this act and for  
 58 the purposes described in subsection (b) of this section.

59 (b) The harbor improvement account may be used for federal  
 60 dredging projects (1) to support, in full or in part, local and state  
 61 matching requirements for such projects; (2) to cover the incremental  
 62 costs associated with applicable environmental regulatory  
 63 requirements or management practices, including beneficial use; and  
 64 (3) to cover part or all of the costs of such projects in the absence of  
 65 adequate federal funds. If any account funds are used for the purpose  
 66 described in subdivision (3) of this subsection, the commissioner shall  
 67 pursue reimbursement to the account from the federal government.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	13b-57
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section

**Statement of Legislative Commissioners:**

Former subsection (c) of section 3 was made into new subsection (b) of section 2 for consistency with the purposes of the sections.

**ENV**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

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***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

The bill establishes a grant-in-aid program for harbor improvement projects but does not provide any funding resources.

The Department of Transportation has established and filled two positions (one Maritime Manager and one Dredging Project Coordinator) for this program as outlined in the provisions of the bill. Therefore, at this time, the agency does not require additional staff and can perform the requirements in the bill within existing resources.

***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None

**OLR Bill Analysis****sSB 302*****AN ACT CONCERNING HARBOR IMPROVEMENT PROJECTS.*****SUMMARY:**

This bill allows the transportation commissioner to initiate harbor improvement projects on behalf of the state, or for the state on behalf of the federal government, and creates a harbor improvement account to fund these initiatives. The bill also places responsibility for contracts for harbor improvement projects with the Department of Transportation (DOT).

The bill removes financial limits on state grants-in-aid to municipalities for harbor improvement projects.

EFFECTIVE DATE: Upon passage

**NEW HARBOR IMPROVEMENT PROJECTS**

The bill authorizes the transportation commissioner to initiate harbor improvement projects on behalf of the state, or for the state on behalf of the federal government. The bill specifies that harbor improvement projects include the preparation of plans, studies, and construction to alter or improve state, municipal, and other properties in or adjacent to Connecticut waters of, for the purpose of improving the state economy and infrastructure.

The bill requires the Connecticut Maritime Commission to recommend and rank projects and submit them to the transportation commissioner. DOT must contract to provide goods and services to harbors and waterways for these projects, and fund these contracts. The commissioner may enter into agreements with other state agencies or municipalities to provide this funding. DOT must administer all contracts entered into. The contracts are subject to final negotiation

regarding the scope and budget of the project. Under the bill, contract periods may vary by contract, payments must be made on a reimbursement basis no later than the dates of service of an executed contract, and appropriate documentation indicating that services have been rendered must be provided with payment requests. DOT may choose to release all or part of the funds as an upfront payment, provided funds are held in a non-interest-bearing account and spent no later than 60 days after it provides them.

### **HARBOR IMPROVEMENT FUND**

The bill creates the harbor improvement fund, as a separate, non-lapsing account within the General Fund. The bill specifies that deposits to the account must include (1) the proceeds of notes, bonds, or other obligations issued by the state for the purpose of harbor improvement or dredging project; (2) funds appropriated by the General Assembly for harbor improvement or dredging project; (3) any other funds required or permitted by law.

The commissioner must use the account to fund harbor improvement projects he or she initiated and for federal dredging projects. Funds used for the latter must (1) support, in full or in part, local or state matching requirements; (2) cover incremental costs for environmental regulatory requirements or management practices, including beneficial use; or (3) cover all of part of the costs where federal funds are inadequate. If the account is used to cover inadequate federal funds, the commissioner must pursue reimbursement from the federal government.

### **REMOVAL OF SPENDING LIMITS**

The bill removes two financial restrictions on the state's grants-in-aid to municipalities for harbor improvement projects: (1) a per-project cap of two thirds of the net cost of the project as approved by the commissioner and (2) a \$1 million limit on the total allowable state funding per municipality.

### **BACKGROUND**

**Connecticut Maritime Commission (CMC)**

The 15 member CMC in DOT must (1) advise the commissioner, governor, and legislature on maritime policy and operations; (2) develop and recommend maritime policy to the governor and legislature; (3) support development of Connecticut's maritime commerce and industries, including its deep water ports; (4) recommend investments and actions, including dredging, required to preserve and enhance them; (5) conduct studies to make recommendations on maritime issues; and (6) support Connecticut port development, including identifying new opportunities, analyzing the potential for and encouraging private port investment, and recommending policies that support port operation.

**COMMITTEE ACTION**

Environment Committee

Joint Favorable Substitute

Yea 27 Nay 0 (03/07/2008)